



Agents Field Members' SRP Questions SDRS' Supplemental Retirement Plan Makes Saving Simple

Recent changes in SDRS' Supplemental Retirement Plan (SRP) make the personal investment program more attractive than ever. As members learn about these changes and the advantages of SRP participation, they'll likely approach authorized agents with questions. Here are some common member questions — and up-to-date answers.

Why Save for Retirement?

A member might ask, "If SDRS provides monthly lifetime retirement benefits to vested members, why should I set aside my own dollars for retirement?"

The SDRS benefit plus Social Security will replace 70 to 85 percent of income for most career members, enough for a secure retirement. Personal savings helps

members protect the comfortable retirement they've earned by providing a hedge against inflation, a safety net in emergencies, or even a fund for travel, gifts or major purchases.

Why Invest Through the SRP?

Members have many options when it comes to saving for retirement — so why choose the SRP? In addition to low fees and a limited-time cash incentive (see Personal Savings Plan Lowers Fees, Enhances Services, page 2), SRP participation also offers significant tax savings.

Plan contributions are withheld from members' paychecks before taxes are taken out. Automatic withholding not only saves members the hassle of writing a check each month, it also reduces mem-

bers' taxable income, saving them money every pay period. And because the SRP is a tax deferral plan set up in accordance with IRS rules, members pay zero taxes on SRP contributions and investment earnings until they withdraw money from the plan.

How Much Can I Save?

SRP participants can invest as little as \$25 per month or as much as \$15,500 per year. Members can also roll over funds from certain qualified retirement plans into their SRP accounts.

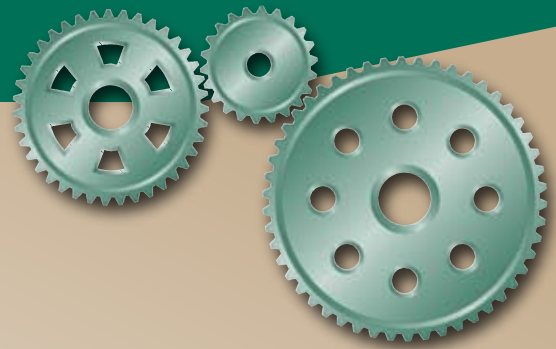
The plan's catch-up provision allows members age 50 and older to invest more than the annual maximum contribution limit. Members within three years of their normal retirement date can invest even more.

How Will My Money Be Invested?

When they enroll in the SRP, members will decide how much to invest, choose investment vehicles, and authorize automatic withholding of contributions.

A new member might wonder how SRP funds will be invested. That's up to the member: Based on individual risk tolerance and preferences, each SRP participant allocates his or her investment dollars to one or more of the investment options offered through the plan. These options are selected for the SRP by the South Dakota Investment Council, the body that manages the SDRS Trust Fund. The plan recently expanded its range of investment options, offering more choices suitable for those new to investing as well as for experienced investors. [UpDate](#)

THE WAY IT WORKS



Members Contact SRP Directly to Enroll

Members might assume they should contact their authorized agents to commence participation in the SRP, but in fact members work directly with SRP staff to set up their accounts, make contributions and change investment allocations, monthly contribution amounts and other aspects of their SRP participation.

Members can contact SRP staff three ways:

- by calling the SDRS-SRP office toll-free at 1-800-959-4457 or locally at (605) 224-2230
- by following a link on the SDRS Web site (www.sdrs.sd.gov)
- by visiting the SRP office, located at 222 East Capitol Avenue, Pierre, South Dakota


Cash Incentive and Free Financial Advice Encourage Participation Personal Savings Plan Lowers Fees, Enhances Services

For SDRS members, supplemental savings have always been an important part of retirement planning. To encourage greater participation in the SDRS Supplemental Retirement Plan, the system is introducing changes to make participation even more attractive to its members.

The cost of participating in SDRS' personal savings and investment plan has always been a bargain — and effective July 1, 2007, the plan's fees have been further reduced. Current SDRS-SRP participants will see administrative expense savings of 33 percent to 50 percent, or even more — a dramatic cost savings. The SDRS-SRP's reduced fees offer both new and current participants a very cost effective means of investing for retirement.

To help members figure out how to make savings a part of their budgets, SDRS is providing the services of personal retirement consultants — free of charge. These specialists will assist members in setting their retirement income goals and in developing strategies to realize them.

SDRS firmly believes in the importance of saving now for freedom and security in your retirement years. This year a \$25 incentive will be added to the first 4,000 new accounts opened between July 1, 2007, and June 30, 2008.

New, low fees, free advice and a cash incentive: Three reasons to encourage members to join the SRP now. 



Meet SDRS Staff and Your Fellow Agents Get Answers at Annual AA Seminar

As an authorized agent, you are the person SDRS members are likely to turn to first with their questions about retirement. But how does an AA learn all the answers? A quick and easy way is to attend an authorized agents' training seminar.

These half-day workshops explain SDRS policies and procedures, share tips to make your job easier to perform, and give you a chance to meet SDRS personnel face-to-face. Typically, topics include

- filling out forms
- understanding retirement benefits, optional spouse coverage and disability benefits
- reporting electronically and transferring contribution funds through ACH
- refunding contributions
- upcoming legislation and administrative rules

- SDRS' Supplemental Retirement Plan and Special Pay Plan

And every seminar includes a question-answer session during which authorized agents can ask about particular perplexities or request clarification on SDRS practices and regulations.

Staff members making presentations identify their areas of expertise so that authorized agents learn whom to turn to with specific questions and can associate faces with voices when they speak by phone throughout the year.

The next training seminar is scheduled for September 20 in Pierre. All authorized agents and other personnel who handle SDRS issues in their workplaces are encouraged to attend. To register, agents can



- send e-mail to the attention of Jane Roberts at sdrsweblink@state.sd.us
- call 1-888-605-SDRS or (605) 773-3731
- write to South Dakota Retirement System, P.O. Box 1098, Pierre, SD 57501-1098 **UpDate**

Refunds Issued via Three-Step Process

Terminating Members Can Take or Leave Their SDRS Contributions

Members who leave the employ of an SDRS unit before reaching retirement age may choose to leave their money in their accounts or receive it as a single payment refund.

Left in the account, the accumulated contributions of vested members will increase yearly by accrued interest. Members choosing this option will be eligible to receive an SDRS retirement benefit when they reach retirement age.

Members who are not vested may leave their money in their accounts up to 10 years, during which time it will accrue interest.

Alternatively, members leaving employment may choose to receive refunds and close their accounts, thereby forfeiting all rights to SDRS benefits. Vested members receive 100 percent of employee and employer contributions

and interest. Members who are not vested receive all employee contributions and a percentage of employer contributions, along with interest.

Processing a Member's Refund

The refund process involves three steps:

1. Member requests a refund application packet — A member must request this packet from the SDRS office. The packet includes information about options for leaving money in the SDRS account or withdrawing it, including information about the tax consequences of receiving refunds. A member and his or her spouse (if applicable) must complete and sign form B-4, Applying for an SDRS Refund Benefit, and return it to the SDRS office.
2. Employer completes Termination of Contributory Service (B-1) form — The
- member's employer must complete and send this form, which includes information regarding the member's termination date and final SDRS contributions, to the SDRS office. Information about termination pay — lump-sum payouts made at the termination of employment for contract buyouts, unused vacation or sick leave, or other special circumstances — should not be entered on this form.
3. Employer submits contribution reports — the member's employer submits moneys withheld from the member's paycheck to the SDRS office. SDRS must receive all contributions before processing the refund. Usually four to six weeks elapse from the date of a member's final paycheck to the date the office receives all the information and can process a refund. **UpDate**

SDRS STATE-WIDE INDIVIDUAL COUNSELING SCHEDULE

SCHEDULE DATE	COUNTY	LOCATION	ADDRESS	DEADLINE TO SCHEDULE
September 18, 2007	Clay	Vermillion, Holiday Inn Express	1200 N Dakota	September 13, 2007
September 25, 2007	Harding, Butte	Belle Fourche, Community Center	1111 National Street	September 20, 2007
October 9, 2007	Bennett, Haakon, Jackson, Jones	Kadoka Fire Hall	102 Main Street	October 4, 2007
October 16, 2007	Davison, Hanson	Mitchell, Holiday Inn	1525 W Havens	October 11, 2007
October 30, 2007	Turner	Parker, Community Building	299 N Main	October 25, 2007
November 13, 2007	Union	Elk Point, Community Room	209 E Main	November 8, 2007
November 20, 2007	Kingsbury, Lake, Miner	Madison, Karl Mundt Library	8th & Egan	November 15, 2007
November 27, 2007	Hand, Hyde	Miller, American State Bank	131 N Broadway	November 22, 2007
December 4, 2007	Lawrence	Spearfish, Holiday Inn	I-90 Exit 14	November 29, 2007
December 11, 2007	Campbell, Walworth	Mobridge, Wrangler Inn	820 W Grand Crossing	December 6, 2007

* Individual retirement counseling sessions must be scheduled before noon on this date.

A Call to SDRS Makes Setup Simple Electronic Reporting Streamlines Monthly Task

Does switching to electronic reporting seem like more trouble than it's worth? Once you're set up, submitting contribution reports electronically is simple and fast, ensures accuracy and saves you time every month. To make getting started also simple and fast, you can call the SDRS office and a staff member will walk you through the process step by step.

To switch to reporting electronically, you need to complete a one-time registration and establish a unique ID and password. Once registered, you receive a program that saves members' names, addresses and other personal data. To make monthly contribution reports, you'll enter your members' contributions and gross pay figures in the program and click "send."

This streamlined method of reporting allows you to make reports as soon as you complete your payroll. There's no wait for forms from SDRS, no delays encountered in the mail.

If your payroll software is compatible with the SDRS system, reporting is even easier

— you can upload the data directly to SDRS from your payroll records.

To set up either method of electronic reporting, call SDRS at 1-888-605-SDRS or (605) 773-3731; or log on to www.sdrs.sd.gov, click on the Employer Information link and follow the instructions.

Setting up to report electronically takes only a few minutes but will save you hours in the months ahead. Find out how easy it is — call SDRS and make the switch today.

Paperless Payments Speed Agents' Work

You can streamline your duties even more by making monthly contribution payments via automated clearing house (ACH). By moving funds from your employer's checking account to SDRS automatically, ACH eliminates the task of writing and mailing checks.

Call SDRS to learn how to begin making contribution payments via ACH. **Up Date**

